

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 PM-03 NSC-05 SP-02 SS-15 L-02 H-02

TRSE-00 MC-02 ACDA-05 OMB-01 COME-00 EB-07 PA-01

PRS-01 USIA-06 CIAE-00 INR-07 NSAE-00 SAJ-01 /073 W

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R 271107Z MAR 75

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 3512

SECDEF WASHDC

SEC AIR FORCE WASHDC

AMEMBASSY THE HAGUE

AMEMBASSY OSLO

AMEMBASSY COPENHAGEN

AMEMBASSY PARIS

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E.O. 11652: N/A

TAGS: MASS, BE

SUBJECT: PRESS ARTICLE ON F-104 REPLACEMENT

1. BELGIUM'S MAJOR WEEKLY DUTCH LANGUAGE KNACK MAGAZINE IN TODAY'S EDITION CHARGES THAT DEFENSE MINISTER VANDEN BOEYNANTS' OFFICE TAMPERED WITH FIGURES AND DATA SO AS TO FAVOR FRENCH MIRAGE F-104 OVER THE F-16, WHICH THE MAGAZINE SAYS IS THE "BEST BUY." THE KNACK COVER STORY, ENTITLED "VDB - THE SECRET OF THE MIRAGES", WAS MENTIONED ON RADIO NEWS THIS MORNING.

2. THE ARTICLE SAYS THAT THE BELGIAN DEFENSE MINISTRY IN ITS SUMMARY OF OFFERS, PREPARED FOR GOB POLICY MAKERS, SAW TO IT THAT THE PROGRAM COSTS OF THE F-16 WERE "RAISED BY BF 2 BILLION" WHEREAS THE COSTS OF THE MIRAGE "WERE LOWERED BY BF 5 BILLION ON PAPER". " IN ORDER TO MAKE THIS POSSIBLE NEGOTIATIONS WERE HELD AS RECENTLY AS LAST WEEK BETWEEN THE FRENCH AIRCRAFT MANUFACTURERS AND BELGIUM. A MEANS HAD TO BE FOUND URGENTLY TO MAKE THE DUTCH GO ALONG. AL THIS HAPPENED IN SUCH AN UNDER-

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HANDED WAY THAT AMERICAN AMBASSADOR FIRESTONE OBTAINED AN APPOINT-

MENT WITH MINISTER VAN ELSLANDE OF FOREIGN AFFAIRS AND PRIME MINISTER TINDEMANS ON MONDAY, MARCH 24, THE DAY AFTER A FINAL BENELUX MEETING WAS TO BE HELD. THE U.S. DIPLOMAT WAS GETTING WORRIED. HE BEGAN TO HAVE A SUSPICION THAT THE BELGIAN POLICY MAKERS WERE GOING TO MAKE A DECISION ON THE BASIS OF A REVAMPED DEFENSE OFFICE DOCUMENT WHICH DISTORTED TEXTS AND DATA."

3. KNACK OBSERVES THAT THE DECISION MAKING ON THE PURCHASE OCCURS ON THE BASIS OF THREE TEXTS IN BELGIUM: THE STEERING GROUP REPORT, A SUMMARIZED VERSION OF IT AND THE "VDB SYNTHESIS", AND ADDS: "THIS IS THE ISSUE: THE STEERING GROUP HAS ADVANCED THE AMERICAN F-16 AS THE BEST BUY IN ALL RESPECTS. IN THE VDB VERSION THIS POLITICAL, FINANCIAL AND TECHNICAL PREFERENCE IS NO LONGER TO BE FOUND. THE ENTOURAGE OF OUR DEFENSE MINISTER WAS CONFIDENT THAT MEMBERS OF THE ECONOMIC INNER CABINET WOULD NOT COMPARE THE THREE DIFFERENT, VERY SPECIALIZED TEXTS, THAT THEY WOULD NOT NOTICE, OR NOTICE TOO LATE, HOW IN THE BELGIAN AIRCRAFT NOT THE MIRAGE IS BACKED UP BY HOOK OR BY CROOK. FOR WHY WOULD TINDEMANS OR FINANCE MINISTER OLEFFE CHECK WITH THE STEERING GROUP REPORT, CONSIDERING THAT THIS CUMBERSOME WORK HAD BEEN DONE SO WELL FOR THEM BY THE VDB OFFICE?..."

4. KNACK FURTHER WRITES THAT "DASSAULT MUST ABSOLUTELY SELL AT LEAST 300 MIRAGES IF ITS CALCULATIONS ON PRICE ETC. ARE NOT TO FALL THROUGH. UNDER PRESSURE OF THAT REQUIREMENT THE VDB OFFICE LATELY

HAS ACTED AS A FRENCH SALES AGENCY. VDB HIMSELF, HIS AIDE COL. LEFEVRE (KEY MAN IN THE PURCHASE) AND ALSO THE AIR FORCE CHIEF OF STAFF TO SOME EXTENT HAVE ALWAYS GIVEN DASSAULT A BETTER CHANCE THAN GENERAL DYNAMICS DESPITE ALL GOOD MARKS FOR THE LATTER. THESE PEOPLE DO NOT COUNT ANYMORE ON THE NORWEGIANS AND DANES. THE DECISION TO BUY AMERICAN WAS IN FACT DETERMINED (BY THEM) MONTHS AGO. CONSEQUENTLY ALL KINDS OF ATTEMPTS COULD BE SEEN IN BRUSSELS LAST WEEK TO ARRIVE AT AN ELEVENTH HOUR (PRO-MIRAGE) AGREEMENT BETWEEN BELGIUM AND THE NETHERLANDS. SECRETARY GENERAL PIERRE FRANCOIS OF DASSAULT, FOR INSTANCE, PASSED BY THE VDB OFFICE LAST WEEK WHEN THE DEFENSE MINISTER AND HIS COLLEAGUE WERE JUST BACK FROM THE HAGUE WHERE THEY HAD MET WITH VREDELING AND VAN DER STOEL. FRANCOIS WAS PLANNING TO GO TO THE HAGUE THE NEXT DAY TO MAKE NEW PRICE OFFERS TO THE LIMITED OFFICIAL USE

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NETHERLANDS AND WANTED TO PREPARE THEM SO TO SPEAK IN VDB'S OFFICE. FOLLOWING FRANCOIS' WEDNESDAY VISIT TO THE NETHERLANDS, THE DUTCH EXPERTS RETURNED TO BRUSSELS ON FRIDAY. THEY DID NOT TRUST THE NEW PRICE OFFERS. THE SAME DAY THE FRENCH URGED A BRUSSELS MEETING OF VREDELING AND VDB IN THE PRESENCE OF BENNO VALLIERES, OF DASSAULT. THAT DID NOT SUCCEED: THE NETHERLANDS WAS NO LONGER INTERESTED IN SUCH MEETING. PERHAPS THEY FELT THE PRESSURE OF THE AMERICAN AMBASSADOR WHO WAS BEGINNING TO LEARN OF THE

TOUCHED-UP VDB REPORT TO BELGIAN POLICY MAKERS."

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ACTION EUR-12

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TRSE-00 MC-02 ACDA-05 OMB-01 COME-00 EB-07 PA-01

PRS-01 USIA-06 CIAE-00 INR-07 NSAE-00 SAJ-01 /073 W  
----- 004424

R 271107Z MAR 75

FM AMEMBASSY BRUSSELS

TO RUSECSTATE WASHDC 3513

SECDEF WASHDC

SEC AIR FORCE WASHDC

AMEMBASSY THE HAGUE

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5. THIS REPORT, ACCORDING TO KNACK, "BURNS NOTHING BUT INCENSE FOR THE GOOD QUALITIES OF THE MIRAGE, AND KEEPS SILENT ABOUT THOSE OF THE F-16. MOREOVER IT MENTIONS STRANGE FIGURES ABOUT THE PROGRAM ..... COST... MIRAGE: BF 34,329 BILLION- F-16: BF 34.710 - VIGGEN (OUTSIDER); BF 40.242 BILLION ... IT IS A FACT (BUT THIS IS READING STUFF FOR EXPERTS) THAT THE MIRAGE PROGRAM PRICE OF THE STEERING GROUP (MARCH 13) IS CORRECT: BF 393 BILLION. THE VDB REPORT CONSCIOUSLY LOWERS THIS PRICE BY BF 5 BILLION. AND ON THE OTHER SIDE THE F-16 IS UPPED BY BF 2 BILLION: A PROGRAM OF BF 34 BILLION INSTEAD OF BF 32 BILLION, AS THE STEERING GROUP IN FACT CALCULATED."

6. KNACK SAYS "THE AMERICANS MEANWHILE FOUND OUT HOW THIS WAS POSSIBLE. ONE AFTERNOON OF COMPUTERING IS ENOUGH TO LEARN HOW THE VDB REPORT INCREASES THE AMERICAN PRICE BY 8 PER CENT BY RESORTING TO DIFFERENT CURRENCY EXCHANGE RATES AND BY RATING THE BELGIAN FRANC ABNORMALLY LOW COMPARED TO THE DOLLAR. AND THEY ALSO SAW HOW THE DASSAULT PRICES WERE LOWERED BY 14 PERCENT BY ASSUMING, AMONG

OTHER THINGS, THAT DASSAULT WILL SELL A TOTAL OF 900 PLANES  
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-- AN ASSUMPTION THAT HAS BECOME QUITE PRECARIOUS. IN SHORT, THE  
AUTHOR OR AUTHORS OF THE VDB NOTE HAVE ARRANGED THINGS SO AS TO  
MAKE THE FRENCH OFFER EMERGE AS THE BEST BUY WHILE THE STEERING  
GROUP CONSIDERS IT 30 PERCENT MORE EXPENSIVE THAN THE OFFER OF THE  
AMERICAN INDUSTRY AND ITS GOVERNMENT...."

7. "THE DASSAULT LOBBY WILL OBJECT TO THIS COMMENTARY ON  
THE GROUND THAT THEIR PLANE IS THE FASTEST, PERHAPS, BUT NOT  
FOR THE INTERCEPTS AT HIGH ALTITUDE THE MISSION PRESCRIBES.  
THE ADVERSARY HAS FIVE MINUTES BEFORE THE MIRAGE GETS TO  
30,000 FEET AT MACH 2. WITH THE SAME FLYING START, THE F-16  
NEEDS ONLY 1 AND HALF MINUTES. DASSAULT HAS WRITTEN BOOKS ABOUT THE  
SENSITIVITY OF THE MIRAGE TO TURBULENCE. BUT THE F-16 HAS A  
COMPUTER ABOARD WHICH CAN SELECT ONE OF FOUR FLIGHT PATTERNS,  
DEPENDING ON THE CIRCUMSTANCES... IN OTHER WORDS, THE F-16 HAS  
A NUMBER OF TECHNOLOGICAL FEATURES WHICH ARE WORTH GOLD...  
RANGE, PAYLOAD, MANEUVERABILITY."

8. KNACK CONCLUDES THAT THE "AUTHOR(S) OF THE VDB REPORT ARE  
WIPING THOSE ADVANTAGES OUT BY DRAWING ATTENTION TO THE 'RISKY'  
TECHNOLOGICAL NOVELTIES IN THE AMERICAN AIRCRAFT... BY THROWING  
ON THE TABLE THE LATEST DASSAULT PRICES AND BY SUPPRESSING THIS  
KIND OF DATA THE VDB OFFICE HOPES THAT THE LAYMEN WHO HAVE TO  
DECIDE THE PURCHASE IN THE FINAL ANALYSIS WILL CHOOSE DASSAULT.  
BUT IN THIS CASE MEN FORWARDED SHOULD BE MEN FOREARMED."

9. KNACK ALSO CARRIES INTERVIEW WITH DAFMIN VANDEN BOEYNANTS  
IN WHICH HE SAYS THAT AIR FORCE HAS NO PREFERENCE FOR EITHER MIRAGE OR

F-16 AND THAT IT IS UP TO THE GOVERNMENT TO DECIDE. HE ALSO SAYS  
THAT THE NORWEGIANS AND THE DANES HAVE LONG FAVORED THE AMERICAN  
PLANE. "THEY ARE GOOD ATLANTIC PARTNERS BUT NOT VERY EUROPEAN  
MINDED. THEY HAVE NO AIRCRAFT INDUSTRY OF THEIR OWN TO TAKE  
INTO ACCOUNT." ON THE DUTCH POSITION HE IS QUOTED AS SAYING  
THAT "IT IS NOT EASY WITH THOSE DUTCH. REMEMBER VREDELING'S TRIP  
TO SEE HIS AMERICAN COLLEAGUE SCHLESINGER. HE DID NOT INFORM US  
IN ADVANCE AND NEVER SAID WHAT WAS DISCUSSED THERE EITHER.  
IMAGINE THE GOSSIP IF VDB HAD SPENT TWO DAYS IN PARIS WITH HIS  
FRENCH COLLEAGUE. STILL I REMAIN CONVINCED THAT AT THE BOTTOM  
OF HIS HEART VREDELING FAVORS A FRENCH BUY. HIS PARTY ALSO.  
THEY KNOW THAT AN AMERICAN CHOICE WOULD HAVE VERY GRAVE CONSEQUENCES  
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FOR EUROPEAN POLICIES. WE MUST NOT ENTERTAIN ILLUSIONS. IT WOULD BE A CONFIRMATION OF AMERICAN SUPREMACY IN THE FIELD OF AVIATION." VDB IS ALSO QUOTED AS SAYING THAT "FRENCH AND AMERICANS HAVE MADE BIG EFFORTS SO THAT THE PRICE DIFFERENCE HAS BECOME VERY SMALL. ALL OUR TALKS HAVE BEEN VERY PRODUCTIVE MONEY-WISE..."

10. THE EMBASSY HAS REFUSED COMMENTS ON THE KNACK STORY AND WOULD FLATLY DENY ANY SUGGESTION, IF MADE, THAT IT HAS IN ANY WAY CO-OPERATED ON IT WITH KNACK. FIRESTONE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS COMMENTS, MILITARY AIRCRAFT, FIGHTER AIRCRAFT, MILITARY SALES, F-104, F-16  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 MAR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975BRUSSE02728  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750107-0441  
**From:** BRUSSELS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750311/aaaaajjh.tel  
**Line Count:** 232  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 5  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MorefiRH  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 16 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <16 APR 2003 by ShawDG>; APPROVED <20 MAY 2003 by MorefiRH>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PRESS ARTICLE ON F-104 REPLACEMENT  
**TAGS:** MASS, BE  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006